



Health Capsule

The Division of Pensions and Benefits ♦ For State Employees ♦ Issue #16

SHBP Open Enrollment for Plan Year 2004

The State Health Benefits Program (SHBP) Open Enrollment period is your annual opportunity to review your health, prescription drug, and dental benefit plans, and to make any changes for you and your dependents. This year's Open Enrollment will be held for all eligible State employees from October 1 through October 31, 2003. Coverage changes made during this Open Enrollment will be effective on December 27, 2003 for State employees paid by the State's Centralized Payroll Unit, and January 1, 2004 for all other State employees.



Fall 2003

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How to Enroll and/or Make Changes

The Open Enrollment period is your chance to closely examine your health and dental coverage to make sure that your plan has the services you need and the providers you want are available to you. You may:

- ♦ enroll in a plan offered by the SHBP if you have not previously done so;
- ♦ change to a different health and/or dental plan (dental plans require 12 months of participation before you can change plans);
- ♦ add eligible dependents you have not previously enrolled; and
- ♦ drop dependents.

To enroll or make a change to your coverage, contact your human resources representative or benefits administrator to obtain an application. Health and/or prescription drug coverage changes are made on the same application. Dental coverage changes are made on a separate application. **Completed applications must be returned to your human resources representative or benefits administrator by October 31, 2003.** Do not send applications directly to the SHBP.

Traditional Plan

Many new State employees not eligible for coverage under the Traditional Plan

If you are a new State employee hired on or after July 1, 2003 and eligible for enrollment in the SHBP, you may not be eligible for coverage under the Traditional Plan. Under Chapter 119, P.L. 2003, the determination as to whether or not an employee hired on or after July 1 is eligible for the Traditional Plan is based on the following:

- ♦ If a new employee hired on or after July 1 is aligned with a collective bargaining unit, the collective bargaining agreements between the State or the State university (Rutgers, UMDNJ, or NJIT) and the union that covers the newly hired employee's position determines eligibility for the Traditional Plan. As of this printing, the following bargaining units have agreed to the provisions of Chapter 119: the Communication Workers of America (CWA), American Federation of State, County,

(continued on page 2)

Special Open Enrollment to be held in Spring of 2004

In addition to the current fall Open Enrollment, the SHBP will be holding a Special Open Enrollment period in the spring of 2004 due to anticipated benefit changes. Any changes you make during the Special Open Enrollment in the spring will become effective July 1, 2004. Premium rates will not change; the rates set for this fall Open Enrollment and will remain in effect from January 1, 2004 through December 31, 2004. Additional information on this matter will be forthcoming sometime in February 2004.



Web-based Presentations for Open Enrollment

The SHBP is once again providing an Internet based presentation to inform members about the SHBP Open Enrollment. The presentation highlights key benefits offered by SHBP health plans and links to additional resources for Open Enrollment materials and information. The presentation can be viewed 24 hours a day, seven days a week, through a link at www.state.nj.us/treasury/pensions/shbp.htm. Follow the link to the Internet presentations in the "Open Enrollment" section on the SHBP home page.

Traditional Plan Eligibility

(continued from page 1)

and Municipal Employees Council (ASFME), and International Federation of Professional and Technical Engineers (IFPTE). The tentative agreement between the State and the American Federation of Teachers (AFT) includes this provision, but the contract has not yet been ratified as of the date of this publication. Once ratified, this provision will also apply to AFT represented employees.

- ◆ In compliance with this legislation, the State Health Benefit Commission extends the same provision to new employees hired on or after July 1 who are not aligned with a bargaining unit; those employees are not eligible for coverage under the Traditional Plan. This includes all non-aligned employees with the State, State colleges and universities, as well as non-aligned employees of the Judicial and Legislative branches of government.

Employees who are not eligible for the Traditional Plan can choose from among the six other plans offered by the SHBP such as NJ PLUS, a point of service plan, or one of five HMOs: Aetna, AmeriHealth, CIGNA HealthCare, Health Net, and Oxford.

State employees hired on or after July 1, 2003 who are barred from participation in the Traditional Plan will not be eligible to select the Traditional Plan upon retirement. These employees will not be offered a plan for which they were ineligible as active employees.

If you have any questions regarding this matter, please see your union representative, human resources representative, or benefits administrator.

Tax\$ave 2004

The Open Enrollment period is your opportunity to save tax dollars in the 2004 tax year by taking advantage of the benefits available through Tax\$ave. A benefit program defined by Section 125 of the federal Internal Revenue Code, Tax\$ave allows employees to set aside before-tax dollars to pay for qualified medical, dental, and dependent care expenses. Any employee of the State, a State college or university, or other State agency who is eligible to participate in the SHBP can also participate in Tax\$ave.

Tax\$ave consists of three separate components: the

Premium Option Plan (POP), and two Flexible Spending Accounts — the **Unreimbursed Medical Spending Account (UMSA)** and the **Dependent Care Spending Account (DCSA)**. An eligible employee may choose to participate in any or all of these plans.

For more information, see the Tax\$ave 2004 Open Enrollment information that you received with your September 12 paycheck, see your human resources representative or benefits administrator, or visit the Division of Pensions and Benefits' Tax\$ave Internet page at: www.state.nj.us/treasury/pensions/taxsave.htm

Premium Option Plan Limitations on Plan Changes

The Premium Option Plan (POP) allows eligible New Jersey State employees to make payments for health and dental premiums on a pre-tax basis and thereby increase their take-home pay. Employees should be aware that the IRS strictly regulates enrollment and prohibits any benefit changes outside of an open enrollment period or unless a qualifying event occurs.

POP enrollment is automatic

If you are a State employee and have payroll deductions for medical and/or dental benefits, you are automatically enrolled in the POP unless you decline enrollment (either at the time you first become eligible for health and dental coverage or during the Open Enrollment Period). State employees who share the cost of the Traditional Plan or an HMO through premium sharing, and all State employees enrolled in the State Employee Group Dental Program have payroll deductions. If you have no payroll deductions for health benefits and are not enrolled in a dental plan you are not considered a participant in the POP.

If you do not want to participate in the POP — and instead pay more in taxes — you may decline participation by completing a *Declination of Premium Option Plan* form that can be obtained from your human resources representative, benefits administrator, or payroll clerk.

Effect of POP on the SHBP rules and procedures

The Internal Revenue Service (IRS) strictly regulates the plan because of the tax advantages provided under the POP. IRS rules require that for an employee covered by the POP, payroll deductions for health and dental plan benefits remain the same for the entire plan year. Therefore, no coverage level changes can be made which result in a change in

the amount of your health and/or dental plan deduction unless a "qualifying event" has occurred. If a qualifying event does occur, you may make a change by submitting a completed health and/or dental plan application to your employer within 60 days of the event or during the annual Open Enrollment period.

Qualifying Events

The election in effect at the beginning of the plan year will continue throughout the calendar year or upon the occurrence of a "qualifying event." The following is a list of what is considered a qualifying event:

- ◆ A marriage (you may enroll your spouse and any other eligible dependents).
- ◆ Addition of an eligible dependent due to birth, adoption, or legal guardianship.
- ◆ A change in family status involving the loss of eligibility of a family member (separation, divorce, death; child marries, no longer lives at home, or turns age 23).
- ◆ A move outside an HMO service area.
- ◆ The termination of your employment for any reason, including retirement.
- ◆ An approved unpaid leave of absence (you are entitled to elect the POP upon return to active employment).
- ◆ A change in your spouse's or eligible dependent's employment status resulting in their loss of health and/or dental coverage.
- ◆ A child under the age of 23 has divorced and moves back into your household and is dependent upon you for support and maintenance.
- ◆ Such other events that may be determined to be appropriate and in accordance with applicable IRS regulations.

State Employee Dental Program

Although there are no benefit changes slated for the State Employee Group Dental Program for January 1, 2004, there are notable industry and service area changes that have recently occurred within the dental plans.

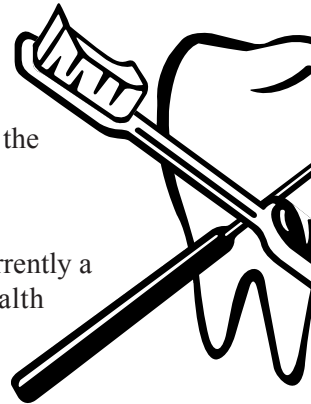
DPO Service Area Updates

In the SHBP annual review of Dental Provider Organization (DPO) covered service areas, several changes have been made to better communicate the DPO service areas where sufficient dental providers are available. The services areas for most of the DPOs have recently changed, with the exception of Community Dental Associates, Flagship Health Systems, Inc., and Aetna DMO. The telephone numbers for each plan are listed below. You may contact them for additional information on their area of

service and/or their participating providers. If a county is not listed as an available service area, this is due to the lack of participating dentists within the county in the respective DPO network.

Unity Dental

Unity Dental Health Services, Inc., is currently a participating DPO. The State Health Benefits Commission has elected to freeze new participant enrollment in Unity Dental. Therefore, for this Open Enrollment (for the 2004 plan year), no new enrollments will be allowed in Unity Dental Health Services, Inc. Current members may remain enrolled in the plan.



DENTAL PLAN	MEMBER SERVICES PHONE #	SERVICE AREA
Atlantic Southern Dental Foundation (BeneCare)	1-800-843-4727	All of New Jersey except in the following counties: Bergen, Hunterdon, Morris, Passaic, Salem, Somerset, Sussex, and Warren.
Community Dental Associates	(856) 451-8844	Only in Cumberland County.
CIGNA Dental Health, Inc.	1-800-367-1037	All of New Jersey except Salem County. Available in Eastern Pennsylvania.
Group Dental Health Administrators, Inc.	(908) 241-9700	Available only in the following New Jersey counties: Essex, Hudson, Middlesex, Ocean, and Union.
Healthplex (International Health Care Services)	1-800-468-0600	Available in New Jersey except for the following counties: Cape May, Gloucester, and Salem. Services are only available in the following Pennsylvania counties: Bucks and Philadelphia.
Fortis Benefits DentalCare of New Jersey	1-800-443-2995	Available in all of New Jersey except the following counties: Cape May, Essex, Hunterdon, and Salem. In Eastern Pennsylvania except the following counties: Berks, Carbon, Lehigh, Luzerne, Monroe, and Northampton.
Unity Dental Health Services, Inc.*	1-800-648-0146	All of New Jersey except for the following counties: Atlantic, Cape May, Cumberland, Hunterdon, Salem, Somerset, and Sussex.
Flagship Health Systems, Inc.	1-800-722-3524	All of New Jersey.
Dental Group of New Jersey, Inc.	(908) 925-6022	Available only in the following counties: Burlington, Essex, Mercer, Middlesex, Union, and Warren.
Horizon Dental Choice	1-800-433-6825	Available in all of New Jersey except Salem County.
Aetna DMO	1-800-843-3661	Available in all of New Jersey and Eastern Pennsylvania.

*Closed to new enrollments for the 2004 plan year.



Dental Program Enrollment Limitations

Employees enrolled in the State Employee Group Dental Program must maintain enrollment in a dental plan choice for a minimum of 12 months before they are permitted to change plans. Therefore, if an employee was not enrolled in a dental plan as of January 1, 2003, they cannot make a dental plan change during this Open Enrollment period.

New Codes from the American Dental Association

The State Employee Group Dental Program is implementing new Current Dental Terminology (CDT) codes issued by the American Dental Association to identify and standardize dental procedures. The changes are based on the information that the American Dental Association gathers about the types of services dentists perform. In addition, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) mandates use of standard procedure codes for electronic processing of claims. In compliance with HIPAA, the State Employee Group Dental Program will implement the new CDT codes on October 16, 2003. As of that date, participating dental plans must process all claims using only CDT codes. The new codes are listed in the revised *State Employee Group Dental Program Handbook* for plan year 2004.

As a result of these changes, copayments for DPOs may be altered for some of these services due to the combining or the splitting of some services. Dental Expense Plan members may see some changes in the identification of services when they receive an *Explanation of Benefits* (EOB) form from Aetna, the plan administrator. These changes are based on the information that the American Dental Association gathers about the types of services dentists perform.

Revised Dental Handbook

The SHBP is revising the *State Employee Group Dental Program Handbook* to include the American Dental Association's new Current Dental Terminology codes and revised DPO service areas. The handbook provides important information regarding all aspects of the Dental Expense Plan and DPO benefits. The new handbook will be available from your employer and over the Internet at: www.state.nj.us/treasury/pensions/shbp.htm

COBRA for Overage Dependents

Do you have a child who turned/or will turn age 23 during this year? A dependent child who is age 23 as of December 31 will automatically be deleted from your coverage and is ineligible for coverage under your SHBP plan after December 31, 2003. However, your overage child may continue the same group coverage under the provisions of the federal COBRA law.

Under COBRA, your overage dependent will be billed once a month for the COBRA coverage (cost plus a 2 percent administrative charge) and can continue the coverage for up to 36 months. Dependents may enroll in any of the health, dental, and/or prescription benefits under which they are currently covered.

To ensure receipt of a COBRA notice and application, you must notify your benefits administrator if your dependent is no longer eligible. Your dependent child must submit a completed COBRA application within 60 days of the date your employer provides you with a COBRA notice or 60 days from the date of termination, whichever is later.

Overage dependents with disabilities

Unmarried children with disabilities who turn age 23 in 2003, who are still dependent on you for support, may remain on your health plan upon approval of their disabled status. Requests for the continuation of coverage must be sent to the SHBP by the January 31, 2004 deadline. To apply for an extension of health benefits coverage for a dependent with disabilities, write to the Division of Pensions and Benefits, State Health Benefits Program, PO Box 299, Trenton, NJ 08625-0299 or call (609) 292-7524. Please provide your name, address, and Social Security number, and ask for the *Request for Continuation for Dependent with Disabilities* form.

Retirement Planning?

Knowing your options is very important when planning for your retired SHBP coverage. For those who may be retiring soon, the *Health Capsule* will now feature important developments for retired SHBP coverage. The following items are regarding recent changes to retiree benefits that may be helpful to those who may be retiring in the near future.

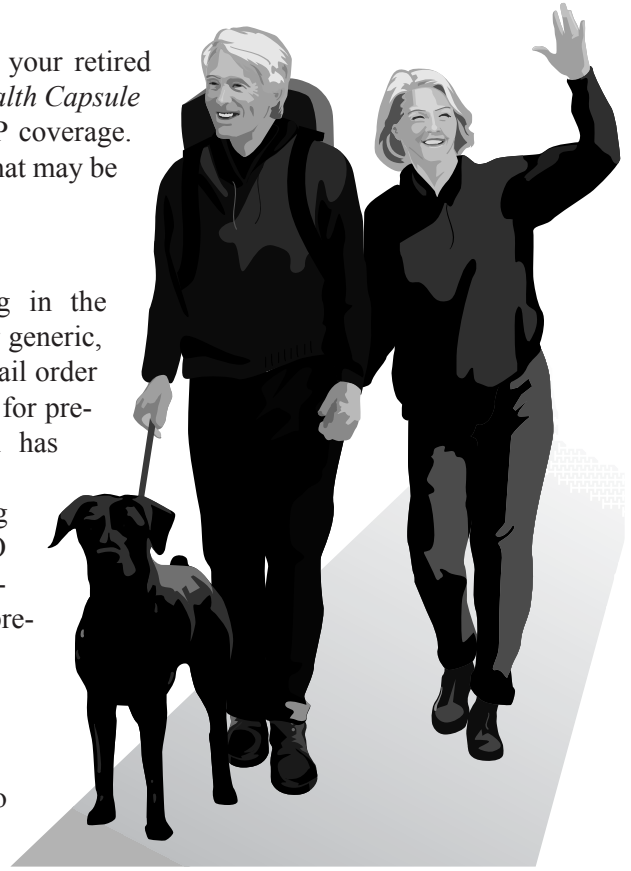
Retiree Prescription Drug Plan Update

For plan year 2004 the copayments for retirees participating in the **Traditional Plan** and **NJ PLUS** will be increasing slightly to \$6 for generic, \$13 for preferred, and \$26 for other brand prescription drugs. The mail order copayments for a 90-day supply will increase to \$6 for generic, \$19 for preferred, and \$32 for other brands. The out-of-pocket maximum has increased to \$474.

Mail order prescription drug copayments for members participating in **Oxford** now meet the standard three-tier approach set for HMO plans that are part of the SHBP. Beginning January 1, 2004, the copayments for a 90-day supply are as follows: \$5 for generic; \$10 for preferred brands; and \$20 for all other brands.

NJ PLUS and HMO Service Areas Expand Beyond New Jersey

While many retirees stay in New Jersey, some retirees choose to move to other states. In recent years the SHBP has worked very closely with all of its participating plans to expand our service areas to offer coverage other than the Traditional Plan to retirees who live in areas outside of New Jersey. The following is a list of service areas outside of New Jersey and contact numbers for each plan:



Health Plan	Member Service Phone #	Service Area (outside New Jersey)
NJ PLUS	1-800-414-7427	Throughout Delaware, North Carolina, South Carolina, Virginia, Florida; and in parts of New York and Pennsylvania.
Aetna	1-800-309-2386	Throughout Connecticut and Delaware; and parts of Arizona, Florida, Illinois, Indiana, Maryland, New York, North Carolina, Ohio, Pennsylvania, Texas, and Virginia.
CIGNA	1-800-244-6224	Throughout Arizona, Connecticut, Delaware, South Carolina, and Washington, D.C.; and in parts of California, Florida, Georgia, Maryland, New York, North Carolina, Pennsylvania, Virginia, and West Virginia.
Oxford	1-800-760-4566	Parts of New York.
Amerihealth	1-800-877-9829	Throughout Delaware and in parts of Pennsylvania.
Health Net	1-800-441-5741	Throughout Connecticut and in parts of New York and Pennsylvania.

Online Help for Making Health Plan Choices

Choosing the right health plan is important. Having the right tools can make those tough decisions a little easier. If you have Internet access at home or at the public library, consider trying the following online methods to choose the best health plan for you and your dependents:

- ◆ **The SHBP's Unified Provider Directory can help you find out what health plans a doctor or health care provider participates in.**

If you have a specific doctor or other type of provider you want to see, find out if he or she participates in the health plan. To get this information, use the SHBP's Unified Provider Directory at www.state.nj.us/treasury/pensions/shbp.htm

Are there other providers, specialists, or facilities you think you may need? The SHBP's Unified Provider Directory lets you search by ZIP Code for a convenient doctor or hospital. However, be sure to check with the provider's office to confirm that they are accepting new patients.

- ◆ **The SHBP's *Summary Program Description* and the *Comparison Summary* are available on the SHBP's home page. These publications can help you determine if a health plan offers the benefits you want and what you might expect your out-of-pocket expenses to be.**

See the January 2003* versions of the *Summary Program Description* and the *Comparison Summary*. These publications may be viewed online at: www.state.nj.us/treasury/pensions/shbp.htm or to obtain a copy of the *Summary Program Description* by mail, contact the Office of Client Services at (609) 292-7524. To obtain a copy of the *Comparison Summary* chart by mail or fax call the Benefit Information Library at (609) 777-1931 and enter information selection number "250"; at the end of the recording follow the instruc-

tions to have the form mailed or faxed to you.

**The Summary Program Description and the Comparison Summary will not be updated for this Open Enrollment; please refer to the current versions these publications.*

- ◆ **The New Jersey HMO Performance Report: Compare Your Choices and the "Plan Comparison Tool" advises which health plans in New Jersey perform the best.**

Each year the New Jersey Department of Health and Senior Services releases its *New Jersey HMO Performance Report: Compare Your Choices*. The report provides information on how HMO's in the State are performing in providing quality care and how the HMOs own members regard the plan.

New Jersey health plan overall performance was measured in four broad areas: service and access, doctors and medical care, staying healthy, and getting better/living with illness. Each area is made up of several performance measures that are compared with the overall New Jersey plan average.

The full 2002 report, the latest version, is available over the Internet on the Department of Health and Senior Services' home page at: www.state.nj.us/health/hmo2002 Upon entering the site, click on "Compare Your Choices" and you can construct your own report card by selecting any number of plans to compare using the Plan Comparison Tool. Once you select the plans you wish to compare, the Plan Comparison Tool provides a side-by-side assessment of each plan's performance for each individual measure.

To obtain a copy of the full performance report by mail, contact the New Jersey Department of Health and Senior Services, Office of Managed Care, PO Box 360, Trenton, NJ 08625-0360, or call 1-800-418-1397.

Source: 2002 New Jersey HMO Performance Report: Compare Your Choices.

Horizon has a New Internet Address

Horizon Blue Cross Blue Shield of New Jersey's Web site can now be accessed through: www.horizonblue.com

The Web site still has the same helpful information about their products, services, programs, and resources, such as:

- ◆ access your claim status, view referrals and authorizations;
- ◆ request an ID card, find a participating doctor or hospital in or outside of New Jersey;
- ◆ download forms; and
- ◆ links to benefits information, special programs, and wellness and discount programs.

Rate Charts

Rate charts for the Open Enrollment will be distributed to State employees paid through Centralized Payroll with the September 26 paycheck (other State employees will receive rate information from their employer prior to the start of the Open Enrollment). The rate charts include the cost for all medical and dental plans at all coverage levels. The rates are in effect from January 1, 2004 through December 31, 2004.

If you did not receive a copy of the rate chart, contact your human resources representative or benefits administrator, or you can view the new rates on our Web site at: www.state.nj.us/treasury/pensions/shbp.htm

SHBP Related Publications

Since there are no benefit changes during Open Enrollment this fall, there will be no revisions to the current SHBP publications other than to the *State Employee Group Dental Program Handbook*. We anticipate revisions to these publications in the Spring 2004. The current publications are:

- ◆ *Summary Program Description* (January 2003);
- ◆ *Comparison Summary* chart (January 2003);
- ◆ *NJ PLUS Member Handbook* (January 2001 with current errata sheet);
- ◆ *Traditional Plan Member Handbook* (January 2001 with current errata sheet); and
- ◆ *Employee Prescription Drug Plan Handbook* (September 2000 with current errata sheet).

HIPAA Privacy Practice

If you have been to a medical provider or purchased prescription drugs at a pharmacy since April 14, 2003, you may have been asked to read and sign a new document for compliance with the federal Health Insurance Portability and Accountability Act (HIPAA) privacy policies. In April, a notice was sent to all SHBP members regarding how the SHBP may access and use Protected Health Information (PHI). The health information maintained by the SHBP consists of current enrollment, eligibility, premium billing information, correspondence, and State Health Benefits Commission appeal records. (Information regarding a specific claim, payment of a claim, or medical records must be referred to the health or dental plan carrier or the provider of the service.) HIPAA allows the SHBP to share PHI only with participating health plans, hospitals, providers, and others who assist the SHBP in providing a member with treatment or claim payment. Other groups or individuals who are not directly involved with providing treatment or processing of claims do not have access to your PHI.

For more information regarding HIPAA privacy or to view the *SHBP Notice of Privacy Practices*, visit our Web site at:

www.state.nj.us/treasury/pensions/hipaa_notice.htm

New Jersey SHBP

Health Capsule

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Health Capsule is published periodically for municipal, county and school board employees and is designed to keep employees informed about developments in their health benefits program. The newsletter will address issues affecting your health and prescription benefits and will include articles on new or proposed legislation, New Jersey Administrative Code changes, decisions of the State Health Benefits Commission, and national issues affecting our programs.

The selections in this publication are for information purposes only and, while every attempt at accuracy is made, it cannot be guaranteed.

If you would like to see any particular health benefits issue addressed, please forward your ideas to *Health Capsule*, Division of Pensions and Benefits, Office of Client Services, P.O. Box 295, Trenton, NJ 08625-0295.

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